



Jannock Limited

**Annual Report
1982**

jannock (jan'ok) (North. dial)

a. and adv. Fair, straightforward

Source: Oxford Concise Dictionary

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JANNOCK LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of JANNOCK LIMITED (hereinafter called the "Corporation") will be held in the Confederation Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario, Canada on Monday, the 2nd day of May, 1983 at the hour of 11:00 o'clock in the forenoon (Eastern Daylight Saving time) for the following purposes:

1. To receive the consolidated financial statements of the Corporation and its subsidiary corporations as at December 31, 1982 together with the reports of the directors and auditors thereon;
2. To elect directors;
3. To appoint auditors and authorize the directors to fix the remuneration of such auditors; and
4. To transact such further and other business as may properly come before the meeting or any adjournment or adjournments thereof.

DATED at Toronto, Ontario, the 25th day of March, 1983.

By Order of the Board

R.H. Weir
Secretary

NOTE: If you are unable to be personally present at the meeting, kindly date, complete, sign and return the enclosed form of proxy in the envelope provided for that purpose.



JANNOCK LIMITED

INFORMATION CIRCULAR

This information circular is furnished in connection with the solicitation of proxies by or on behalf of the management of JANNOCK LIMITED (hereinafter called the "Corporation") for use at the annual meeting of shareholders of the Corporation (hereinafter called the "meeting") to be held on the 2nd day of May, 1983 at the hour of 11:00 o'clock in the forenoon (Eastern Daylight Saving time) in the Confederation Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario and at any adjournment or adjournments thereof for the purposes set forth in the notice of meeting.

SOLICITATION OF PROXIES

THE ENCLOSED PROXY IS BEING SOLICITED BY OR ON BEHALF OF THE MANAGEMENT OF THE CORPORATION and the cost of such solicitation will be borne by the Corporation. The solicitation will be primarily by mail, but regular employees of the Corporation may also solicit proxies by telephone or in person.

APPOINTMENT, REVOCATION AND VOTING OF PROXIES

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR. TO EXERCISE THIS RIGHT, THE SHAREHOLDER SHOULD INSERT THE NAME OF THE DESIRED PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKE OUT THE OTHER NAMES OR MAY SUBMIT ANOTHER APPROPRIATE PROXY, and in either case, send the proxy to the Secretary of the Corporation or deliver it to the chairman of the meeting at the meeting.

A shareholder executing the enclosed form of proxy has the power to revoke it at any time before it is exercised. Section 114(4) of The Business Corporations Act (Ontario) sets out a procedure for revoking proxies by the deposit of an instrument in writing at the head office of the Corporation at any time up to and including the last business day preceding the day of the meeting or any adjournment thereof or with the chairman of the meeting on the day of the meeting or adjournments thereof.

It is not intended to use the proxies hereby solicited for the purpose of voting upon the consolidated financial statements of the Corporation and its subsidiaries as at December 31, 1982 or the reports of the auditors and directors thereon. The shares represented by the proxy will be voted with respect to all other matters which properly come before the meeting.

The form of proxy confers discretionary authority with respect to amendments and variations to the matters identified in the notice of meeting and other matters which may properly come before the meeting.

Management knows of no matters to come before the meeting other than the matters referred to in the notice of meeting. HOWEVER, IF ANY SUCH MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE ANY MEETING, THE PROXIES WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGEMENT OF THE PERSON OR PERSONS VOTING THE PROXIES.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of Common shares of the Corporation of record at 12:01 o'clock in the forenoon on April 28, 1983 being the second business day before the date of the meeting, is entitled to one vote for each Common share held. As at March 25, 1983, 9,957,622 Common shares in the aggregate were outstanding.

ELECTION OF DIRECTORS

The following are the names of the persons for whom it is intended that votes will be cast for their election as directors at the meeting pursuant to proxies solicited by or on behalf of the management of the Corporation:

J.C. Barrow, P.C. Bawden, R.F. Bennett, J.A. Boyle, L.Y. Fortier, W.P. Frankenhoff, W.M. Hatch, J.H. Hawke, H.G. MacNeill, G.E. Mara, W.J.R. Paton, D.R. Sobey, D.G. Willmot.

The term of office for each person so elected will be until the next annual meeting of shareholders of the Corporation or until his successor is elected or appointed.

IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE FOREGOING SLATE OF NOMINEES, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED TO VOTE THE PROXIES FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

Name and Office	Present principal occupation	Year first became a Director (1)	Approximate number of Common shares of the Corporation beneficially owned directly or indirectly or over which control or direction is exercised as at March 25, 1983
J.C. Barrow Director	Director Simpsons-Sears Limited retailer	April 1979	1,000
P.C. Bawden Director	Chairman of the Board Peter Bawden Drilling Ltd. contract drilling	April 1982	100
R.F. Bennett Director	President Bennecon Limited management consultants	April 1982	1,000
J.A. Boyle Director	Director The Toronto-Dominion Bank	June 1977	1,236
L.Y. Fortier Director	Partner Ogilvy, Renault barristers and solicitors	June 1973	1,100
W.P. Frankenhoff Director	President William P. Frankenhoff, Inc. management consultants	April 1980	1,000

Name and Office	Present principal occupation	Year first became a Director (1)	Approximate number of Common shares of the Corporation beneficially owned directly or indirectly or over which control or direction is exercised as at March 25, 1983
W.M. Hatch Director	Chairman of the Board Hatchwill Investments Limited holding company	January 1975	237,300 (2)
J.H. Hawke Director	Chairman Bache Securities Inc. stock brokers	June 1973	100,592 (3)
H.G. MacNeill President and Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation	April 1976	163,000
G.E. Mara Chairman of the Board and Director	Chairman of the Board of the Corporation	June 1973	352,600 (4)
W.J.R. Paton Director	Chairman of the Board The Northern Engineering & Supply Co. Limited metal fabricators and wholesalers	June 1973	554 (5)
D.R. Sobey Director	President Empire Company Limited investment holding company	April 1978	200 (6)
D.G. Willmot Chairman of the Executive Committee and Director	Chairman of the Board The Molson Companies Limited engaged in brewing, retailing and distribution	January 1975	(7)

NOTES

- (1) Each nominee who is stated to have first become a director in a specific month has served continuously from the month indicated, except W.M. Hatch, who became a director in January, 1975 resigned in February, 1975 and was reappointed a director in October, 1975.
- (2) Mr. W.M. Hatch is deemed by applicable legislation to own a further 12,700 Common shares beneficially owned directly by Hatchwill Investments Limited, a corporation which he controls.
- (3) Mr. J.H. Hawke is deemed by applicable legislation to own a further 30,000 Common shares beneficially owned directly by Hawke-Lea Holdings Ltd., a corporation which he controls.
- (4) Mr. G.E. Mara is deemed by applicable legislation to own a further 377,000 Common shares beneficially owned by Daza Investments Limited, a corporation which he controls.
- (5) Mr. W.J.R. Paton is deemed by applicable legislation to own a further 45,000 Common shares beneficially owned by Wilsah Consultants Ltd., a corporation which he controls.

- (6) Mr. D.R. Sobey is deemed by applicable legislation to own a further 18,200 Common shares beneficially owned directly by Donald R. Sobey Investments Limited, a corporation which he controls.
- (7) Mr. D.G. Willmot is deemed by applicable legislation to own 100,000 Common shares beneficially owned directly by Willhaven Limited, a corporation which he controls.

The Corporation has an executive committee of its board of directors and is required to have an audit committee. The members of the executive committee are Messrs. Willmot (Chairman), Boyle, Hatch, MacNeill, Mara and Sobey. The members of the audit committee are Messrs. Hawke (Chairman), Barrow, Boyle and Sobey.

None of those persons for whom it is intended that votes will be cast for their election as directors beneficially owns, directly or indirectly, or controls or exercises direction over any equity shares of a subsidiary corporation of the Corporation.

**DIRECTORS' AND OFFICERS REMUNERATION
FROM THE CORPORATION AND ITS SUBSIDIARIES
(for the fiscal year ended December 31, 1982)**

	From Office, Employment and Employer Contributions (aggregate)	Cost of Pension Benefits (aggregate)	Other (aggregate)
DIRECTORS (Total Number: 13)			
From the Corporation and wholly-owned subsidiaries	\$ 93,550	—	—
FIVE SENIOR OFFICERS			
From the Corporation and wholly-owned subsidiaries	\$603,000	\$105,900	—

The Corporation has entered into a deferred compensation agreement with its Chief Executive Officer under which no amount has been paid. Under this agreement payments to such officer upon retirement at age 65 are presently estimated at \$67,300 per annum.

By an agreement dated July 2, 1973 between the Corporation and W.J.R. Paton (which replaced a similar agreement between Atlantic Sugar Refineries Co. Limited and Mr. Paton) Mr. Paton agreed following the termination of his full-time employment by the Corporation on July 16, 1975 to make available to the Corporation the benefit of his experience, knowledge and advice and the Corporation agreed to pay Mr. Paton for such services the sum of \$60,000 per annum during his lifetime.

In March, 1982 a senior officer of the Corporation exercised an option granted to him in April, 1972 to purchase 10,000 Common shares at the price of \$3.50 per share. The price range of the said Common shares on The Toronto Stock Exchange in the 30 day period preceding the date of exercise of the said option was \$8-1/4 - \$10-3/8.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

The Corporation instituted in February, 1976 a share purchase plan for the benefit of key executives of the Corporation and its subsidiaries to enable key executives to purchase Common shares of the Corporation at market values at the date of purchase by providing loans to such key executives repayable over a period not exceeding 10 years with interest at a rate equal to the prime rate charged from time to time to the Corporation by its principal banker or 10%, whichever is less. Under the terms of the share purchase plan the Corporation lent H.G. MacNeill of the Municipality of Metropolitan Toronto, on March 9, 1976 \$412,500 to enable him to pay for 150,000 Common shares of the Corporation subscribed for on his behalf by the Trustee under the plan. Of such loan \$155,000 remains outstanding.

APPOINTMENT OF AUDITORS

It is intended to vote the proxies solicited in respect of the meeting to appoint the firm of Messrs. Coopers & Lybrand, Chartered Accountants, as the auditors of the Corporation.

DATED the 25th day of March, 1983.

Financial Highlights

Millions of dollars *	1982	1981
Sales	341.1	474.6
Earnings from operations	1.9	36.1
Provision for (recovery of) income taxes	(6.4)	6.9
Earnings (loss) before extraordinary items	(3.9)	13.1
Working capital	57.4	52.0
Earnings (loss) per Common share before extraordinary items	(0.85)	0.81
Equity per Common share	7.03	8.52
Dividend per Common share	0.48	0.64
*Except per share figures		

Jannock, through its subsidiaries, is in three steel-related businesses. It is a producer of building brick and manufactures electrical components and related products. Jannock is one of the leading participants in every market it serves.



Report to the Shareholders

In 1982 Jannock Limited lost money for the first time in its history. The loss before extraordinary items was \$3,882,000 or 85 cents per share, compared with earnings of \$13,098,000 or 81 cents per share in 1981. Consolidated sales for the year were \$341,065,000 compared with \$474,569,000 in 1981. The two sales figures are not directly comparable as the 1981 sales include the sales of Atlantic Sugar for six months. However, even taking this difference into consideration, sales were down in all operations.

The Corporation's businesses are primarily in the secondary steel industry in Canada and in the brick markets in Canada and the United States. The recession has affected all industrial segments, but none more severely than the house building industry in both countries. In this country housing starts were lower than for any year since 1961. In the United States, housing starts were at the lowest level since 1946. Early in 1982 the steel industry in Canada was abruptly affected by the downturn in business. It was in this environment that the Corporation operated in 1982.

In order to improve the Corporation's performance in these distressed economic circumstances, positive steps were taken. All operations have energetically reduced costs and rationalized their product lines. Particular attention has been paid to controlling inventories and these have been reduced to \$47,800,000 from \$91,000,000 at December 31, 1981. The brick plant at Mansfield, Ohio was closed, resulting in an extraordinary loss of \$2,000,000. Brick production in Michigan and Kentucky was curtailed for extended periods in order to cut costs and bring inventory into line with sales. Over the year all but the most essential expenditures were deferred and many employees were either laid off or terminated. The year was one in which special attention was given to cash flow.

Sales of brick in Canada were off from the earlier year but operations remained profitable. The Canadian brick businesses are leaders in the markets they serve and were thus able to have a profitable year. The United States operations, taken as a whole, did not fare as well. The plants in Michigan, Ohio and Kentucky were unable to utilize their capacity profitably and were shut

down for part of the year. The Texas operations provided a note of encouragement. The Brazos brick plant in Mineral Wells, opened in June, 1980 exceeded expectations and continued to increase its market share and expand its geographic market. Brazos is now serving the Houston market, probably the best brick market in the United States. We are convinced that the present recovery in housing in the United States will be sustained and accordingly the second kiln at Brazos has been put into operation. Tiffany Brick in San Antonio exceeded last year's performance and there is reason to be optimistic for both of the southern operations.

Westeel-Rosco had a difficult year. Senior management was changed early in the year and all aspects of Westeel's diverse operations have been under close scrutiny with a view of rationalizing the business. A major emphasis has been given to controlling inventories and much of the total Jannock improvement in inventory levels is a result of Westeel's lower inventory. In 1982 Westeel introduced its newly-designed Wide-Corr grain bin into the United States and Canadian markets. The progress made in this product is encouraging. Overall, however, sales were off sharply and margins were under pressure. As a consequence Westeel-Rosco lost money.

The year 1982 was one of retrenchment for Jannock Tube. Lower sales were experienced in all parts of the operation and in all geographic areas served. In earlier years the warehouses in western Canada, particularly Alberta, provided strength for the whole organization but that was not the case in 1982; in fact the major weakness in the year past was in Alberta. The cancellation of certain mega projects had a serious effect on the western Canadian operations and prospects. The Calgary warehouse was closed late in the year, as were operations in Saskatoon and Prince George. There are 35 percent fewer employees in Jannock Tube than a year earlier.

The operations of Sonco Steel Tube were particularly hard hit by the recession. Sonco has experienced considerable growth in the past and because of the breadth in the market it serves it has been relatively immune to earlier recessions; that was not the experience in 1982. The collapse in the steel market meant that Sonco's sales were less than half of expectations with the available business at inadequate margins. The pipe mill came on stream during the year but the market for Sonco's product was dramatically lower than had been anticipated.

Late in the year it was resolved to withdraw part of the funds invested in Sonco for redeployment. Sonco will enter into a five-year supply agreement with The Algoma Steel Corporation, Limited for the purchase of steel on favourable terms and conditions. In consideration for such supply agreement, this Corporation will grant Algoma Steel an option, exercisable at the end of the supply agreement, to purchase either 50 percent of Sonco or under certain conditions all of Sonco at prices to be determined on the date of the exercise of the options. The Corporation will continue to exercise direction and control over Sonco until the exercise of the options by Algoma Steel.

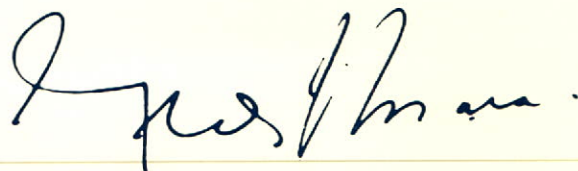
As part of the arrangements Sonco will acquire, for book value, the shares of Jannock Tube and the shares of another subsidiary corporation which holds fifty percent of the shares of U.S. Tubular Products, Inc. U.S. Tubular carries on the pipe finishing business in Ohio. Sonco will arrange for term financing and from the proceeds of such borrowing will repay \$30 million of its indebtedness to the Corporation.

These arrangements are beneficial to Jannock in several ways. It allows the Corporation to withdraw \$30 million for eventual redeployment into areas which we perceive to have more immediate growth potential. The supply agreement greatly enhances the business prospects of Sonco over the term of the supply agreement and it is our hope that the association with Algoma Steel will be continued indefinitely.

Sales of Allanson Manufacturing were reduced from the year earlier with the resulting adverse effect on earnings.

Atlantic Sugar, in which Jannock holds a 47.5 percent interest, had an excellent year and contributed in a worthwhile way. We look for the superior performance to continue in 1983.

The past year has been trying but has resulted in certain positive factors emerging. The recession has served to bring a sense of realism to our national scene that heretofore was missing. We have now identified and are considering the problems we face as Canadians. Although the recession has adversely affected the Corporation's financial condition, it has also helped Jannock become a leaner, more efficient organization. That benefit will be evident in the months to come as the Corporation profits from the business recovery that we see for this year and the next. We are confident our operations will be profitable in 1983 and look forward to the return of business conditions that will allow Jannock to significantly exceed previous profit levels.

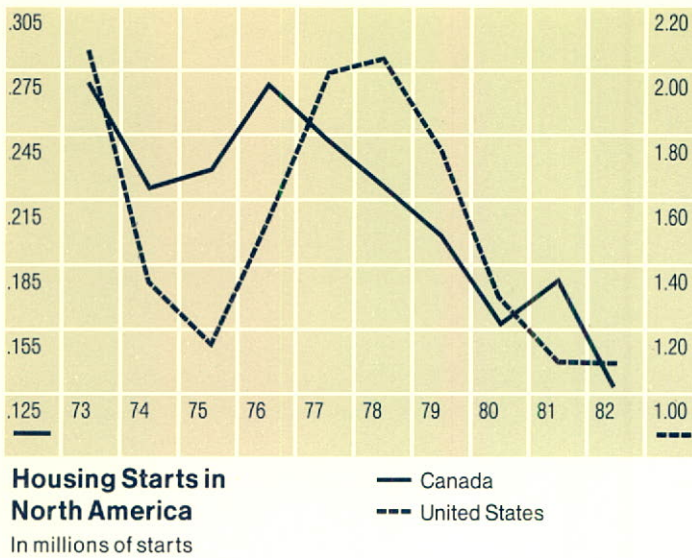


George E. Mara
Chairman of the Board



H. Gordon MacNeill
President and
Chief Executive Officer

March 25, 1983



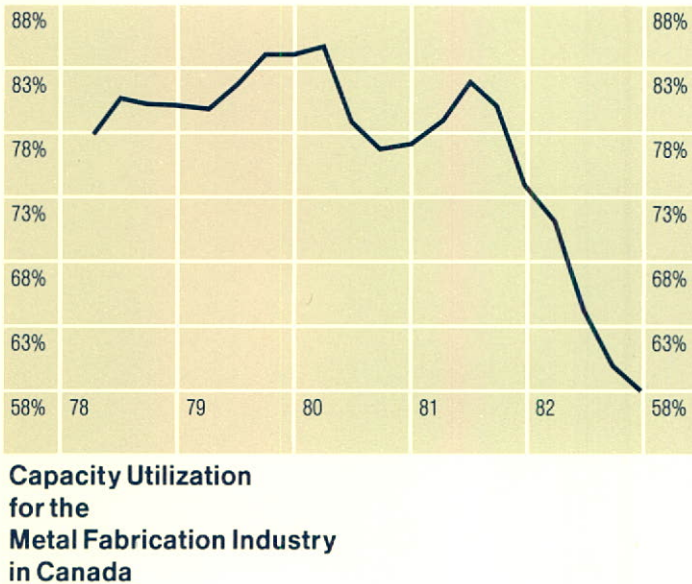
The business environment in which the principal businesses of Jannock operated in 1982 is best understood by considering the condition of the housing industry in Canada and the United States and the steel industry in Canada last year.

In Canada, housing starts dropped to 126,000 units. The figure, down sharply from the 1981 total of 178,000 units, was the lowest for any year since 1961. The year 1982 was an especially bad year for builders of single detached houses, a prime brick market. The total number of single family units started during the year was down to 54,000 from 89,000 in 1981.

In the United States the slump in housing starts continued for a second year. For 1982 starts totalled 1,060,000 units, down marginally from the previous year. The activity in 1982 was the lowest since 1946. Single family house starts fell to 661,000 units from 705,400 units in the earlier year. Geographically, housing starts declined in every region of the United States except the south, reflecting the shift in population to the sun belt.

The steel industry also experienced depression-like conditions. The decline in business activity, combined with a liquidation of inventories resulted in very low capacity utilization both in Canada and the United States. In the United States, a substantial portion of steel making capacity is likely to be withdrawn from use permanently.

The predictions for 1983 and 1984 housing starts vary considerably but in the light of recent strength in the United States housing starts, 1.4 million starts appears realistic. In Canada the increase will not be as dramatic but 1983 should be better than 1982. In steel, much depends upon the general economic recovery we have in 1983, but it is not unduly optimistic to look for considerable improvement.



Acquisition and Reorganization

In 1982 Jannock acquired, through Westeel, the operating assets of Century Engineering's Agricultural Division, a manufacturer and distributor of farm related equipment in the United States. The cost was \$5.8 million and is explained in greater detail in Note 1 to the financial statements.

The major corporate change resulted from an agreement between Jannock and The Algoma Steel Corporation, Limited whereby Jannock will grant Algoma options to purchase at the end of five years either 50% or 100% of the shares of Sonco Steel Tube Limited. As part of the arrangement Sonco will purchase the shares of Jannock Tube Limited and Sonco Steel Tube, Inc. During the five year option period a steel supply agreement will be in place whereby Sonco will purchase the steel required in its operations from Algoma. Although the operation of Sonco and its subsidiaries will be controlled by Jannock for the next five years the operations will be accounted for by the equity method because of the options that have been granted. At December 31, 1982 the balance sheet reflects the investment in Sonco and subsidiaries, however, the statement of earnings is fully consolidated. Sonco will borrow \$30 million on a term basis which will be used to repay a significant portion of Jannock's investment in that corporation.

Accounting Policies

There were no changes in accounting policies but the format of the Statement of Changes in Financial Position has been changed. In recognition of the increasing emphasis on corporate liquidity, this statement now reflects the change in the net cash – bank indebtedness position. The 1981 figures have been restated for comparative purposes.

Sales and Earnings

Sales decreased from \$475 million to \$341 million in 1982, however, comparison with 1981 is difficult because of the deconsolidation of Atlantic Sugar starting in June of that year. Of the \$134 million decrease, \$50 million relates to the continuing operations of Jannock – including Sonco and Tube – and the balance relates to Atlantic Sugar. Earnings from operations dropped substantially from the previous year as a consequence of the reduction in volumes and lower margins achieved in a tight economy. The Canadian Brick Group was the only operation to make reasonable earnings from operations while all others were in a break-even to loss position. There are some hopeful signs of a recovery as the slide that was evident during the year appeared to bottom out in the last quarter.

Review of Quarterly Sales and Earnings

Millions of dollars	Net Sales		Earnings (loss) *		Earnings (loss) Per Share *	
	1982	1981	1982	1981	1982	1981
Quarter						
First	69.5	115.0	(2.6)	0.4	(0.38)	(0.09)
Second	88.9	153.2	1.5	5.2	0.03	0.41
Third	94.1	107.4	(0.9)	3.9	(0.21)	0.26
Fourth	88.6	99.0	(1.9)	3.6	(0.29)	0.23
	341.1	474.6	(3.9)	13.1	(0.85)	0.81

*before extraordinary items

Major Elements that Affected Operations in 1982

Margins

The recession severely affected the markets of the two principal industries in which the Corporation operates — steel and housing. The housing industry, which suffered one of the most significant downturns in several decades, appears to be recovering and this augurs well for the brick operations. All operations experienced extreme pressure on margins as a result of low demand compounded by the problem of excess production capacity.

Financial Costs

The volatility and level of interest rates abated somewhat in 1982. The Canadian prime rate which started the year at 17¼% moved slightly higher through the summer months and fell to 12½% by year-end. At the time of writing it is 11½% which should set the stage for an improved business environment in 1983.

Equity Earnings

Sugar operations had one of their best years and as a result equity accounted earnings were significantly higher than in 1981. The low cost of raw

sugar and the effect of this low cost on the dynamics of the market contributed to Sugar's profitability. Lower costs of financing inventories and higher utilization of capacity were positive factors as well. Due to the large inventories of raw sugar throughout the world the cost is expected to remain low in 1983.

Cost Reductions

A major operational emphasis in 1982 was given to the control over inventories and operating costs. Operations are now substantially leaner than before and inventories have been significantly reduced. Non-recurring severance and related costs have been fully expensed in 1982 and it is from a much lower cost base that the Corporation will operate in 1983. Combined with lower interest rates and a general improvement in the economy, 1983 should yield better results.

Income Taxes

The comparability of tax rates between 1981 and 1982 is difficult because 1982 was a loss year while 1981 was profitable. In addition, the non-tax effecting of losses of certain U.S. subsidiaries and inventory credits have distorted the normal tax rate. The U.S. losses not tax-effected will be shown as extraordinary income when recovered.

Percentage	1982	1981
Tax at regular rates (Federal, Provincial and Surtax)	(48.9)	51.5
Manufacturing and processing credits	2.4	(3.3)
3% inventory allowance	(8.2)	(6.7)
Investment tax credits	(0.6)	(1.8)
Inter-unit interest income at reduced rates	(8.2)	(4.1)
Non tax-effected losses	19.2	—
Other	(1.1)	(0.4)
	(45.4)	35.2

Extraordinary Items

The major item was the cost of closing down the Richland brick operation in Mansfield, Ohio. All assets, with the exception of land, have been written off.

Balance Sheet

In comparing the balance sheet with the 1981 position the deconsolidation of Sonco and Tube had a great effect on most categories, however, there were significant improvements at all operations.

Working Capital

The year was one of increased emphasis on liquidity and all operations responded well to this urgent need. Inventories were down significantly from the previous year, with Westeel showing a great improvement. Receivables, while obviously affected by the lower sales level were better controlled. Bank advances and payables were also substantially less than a year ago. While the working capital ratio improved to 1.8:1 from 1.5:1 the refinancing on the Sonco - Algoma agreement was the major reason for the increase in working capital.

Capital Expenditures

In response to the deepening recession the capital expenditure program was pared down to \$11 million from an original budget for 1982 of \$17 million. The carryover to 1983 is only \$1 million. Major expenditures during 1982 were as follows -

Millions of dollars

Sonco

Completion of the 7" and 4" mill	4.5
----------------------------------	-----

Westeel

Acquisition of Century Engineering fixed assets	3.8
Expansion of Edmonton plant	0.5

In 1983 capital expenditures will be restricted to sustaining items. This is estimated at \$5 million, well below depreciation for the year. Any generative projects will be required to meet exacting criteria and will be subject to the ability to finance them.

Investments

Investments now include the investment in Sonco and its subsidiaries. All investments are accounted for by the equity method.

Long-Term Debt

Long-term debt of \$38.4 million was virtually unchanged as the instalment due on the Brick loan was deferred, to be repaid in equal instalments over the balance of the loan.

Shareholders' Equity and Retained Earnings

Common share capital was increased by \$0.4 million or 66,312 shares resulting from the exercise of warrants, stock options and the issuance of shares as dividends under the Optional Dividend Plan. This increased the shares outstanding to 9,950,159 at year-end. Dividends paid on the First

Preference shares decreased due to the decline in the prime lending rate. Commencing with the July dividend, the dividend rate on Common shares was reduced to 8¢ per quarter.

Statement of Changes in Financial Position

As noted previously the format of this statement has been changed to reflect the net change in the cash position of the Corporation.

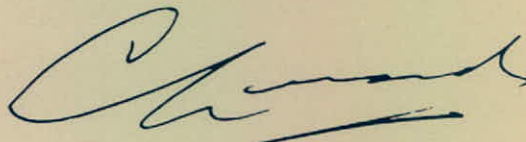
Notes to the Financial Statements

The format of the notes was unchanged from last year, however, the deconsolidation of Sonco and Tube has had a significant effect on their makeup.

Summary

While 1982 was a dismal year overall, certain hopeful signs have emerged. The general slide in the economy appears to have flattened out and the North American housing market is exhibiting an uptick. The continued fall in inflation and interest rates should boost consumer spending - a necessity for sustained economic recovery - while wage settlements are becoming more realistic. Customer inventories will require replenishment as the business environment improves.

As stated in previous reviews substantial capital expenditures have been made within the brick and steel groups in anticipation of the next upturn in the North American economy. With this upturn now in sight and much leaner operations Jannock is favourably positioned.



C.W. Leonardi
Executive Vice President,
Finance

**Consolidated Statement
of Earnings**

Jannock Limited

For the year ended December 31, 1982
Thousands of dollars

Sales 1982 1981
341,065 474,569

Cost of sales, selling, distribution
and general expenses 329,065 429,522
Depreciation 10,150 8,955
339,215 438,477

Earnings from Operations 1,850 36,092

Interest on short-term debt 9,819 8,989
Interest on long-term debt 6,832 8,470
16,651 17,459
Other income 622 1,062
16,029 16,397

Earnings (Loss) Before Income Taxes (14,179) 19,695

Provision for (Recovery of) Income Taxes (note 10)
Current (3,930) 5,102
Deferred (2,506) 1,823
(6,436) 6,925

**Earnings (Loss) Before Equity in Earnings of
Investments and Extraordinary Items** (7,743) 12,770
Equity in Earnings of Investments 3,861 328
Earnings (Loss) Before Extraordinary Items (3,882) 13,098
Extraordinary Items (note 9) (2,408) 1,108
Net Earnings (Loss) for the Year (6,290) 14,206

Earnings (Loss) per Share (note 8(d))
Before extraordinary items (\$0.85) \$0.81
After extraordinary items (\$1.10) \$0.92

See accompanying statement of accounting
policies and notes to financial statements.

**Consolidated Statement
of Retained Earnings**

Jannock Limited

For the year ended December 31, 1982 Thousands of dollars	1982	1981
Balance – Beginning of Year	45,691	42,797
Net earnings (loss) for the year	(6,290)	14,206
	39,401	57,003
Dividends –		
First Preference shares	2,783	3,292
8% Second Preference shares	1,838	1,881
6% Third Preference shares	–	1
Common shares	3,971	6,300
	8,592	11,474
Cost under the stated book value of preference shares purchased for cancellation	250	162
	8,342	11,312
Balance – End of Year	31,059	45,691

See accompanying statement of accounting
policies and notes to financial statements.

Consolidated Balance Sheet

Jannock Limited

As at December 31, 1982
Thousands of dollars

1982

1981

Assets**Current Assets**

Cash and short-term investments	—	1,992
Recoverable investment in non-consolidated subsidiaries (notes 1(b) and 4)	30,000	—
Accounts receivable	46,812	66,286
Inventories (note 2)	47,824	90,971
Prepaid expenses and other assets	1,307	1,822
Income taxes recoverable	3,942	—
	129,885	161,071

Fixed Assets — at cost (note 3)

125,013

174,506

Less: Accumulated depreciation and amortization

55,807

58,221

69,206

116,285

Investments (note 4)

32,213

11,528

Other Assets (note 5)

1,568

1,015

Intangibles

4,554

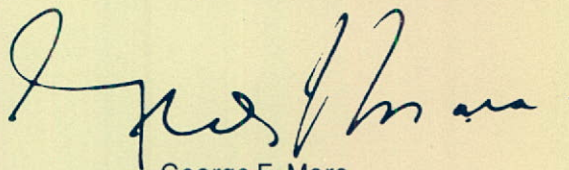
11,599

237,426

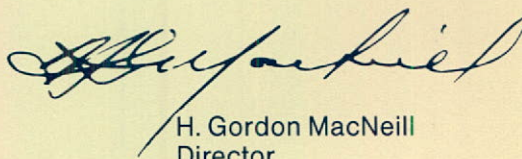
301,498

See accompanying statement of accounting policies and notes to financial statements.

Signed on behalf of the board



George E. Mara
Director



H. Gordon MacNeill
Director

As at December 31, 1982	1982	1981
Thousands of dollars		

Liabilities

Current Liabilities

Bank indebtedness (note 6)	37,335	46,001
Accounts payable and accrued liabilities	23,696	49,787
Income taxes payable	1,722	3,710
Current instalments of long-term debt (note 7)	4,503	4,648
Dividends payable	1,248	2,046
Deferred income taxes	3,971	2,878

Long-Term Debt (note 7)

	72,475	109,070
Long-Term Debt (note 7)	38,434	38,879
Deferred Income Taxes	3,935	16,176
	114,844	164,125

Shareholders' Equity

Share Capital (note 8)

Issued and fully paid –		
1,500,000 First Preference shares, Series One	30,000	30,000
1,506,558 8% Second Preference shares	22,598	23,195
665 6% Third Preference shares	7	6
9,950,159 Common shares	38,918	38,481

Retained Earnings

	31,059	45,691
	122,582	137,373
	237,426	301,498

See accompanying statement of accounting policies and notes to financial statements.

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Jannock Limited as at December 31, 1982 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such

tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

Chartered Accountants
Toronto, Canada
February 23, 1983
(March 21, 1983 as to
note 1(b))

**Consolidated Statement of
Changes in Financial Position**

Jannock Limited

For the year ended December 31, 1982 Thousands of dollars	1982	1981
Operations		
Net earnings (loss) for the year before extraordinary items	(3,882)	13,098
Items not affecting working capital –		
Depreciation and amortization	10,514	9,131
Deferred income taxes – long-term portion	(3,826)	3,002
Equity in earnings of investments	(3,363)	(328)
Gain on disposal of fixed assets	(75)	(281)
	(632)	24,622
Working capital changes –		
Accounts receivable	19,474	17,236
Inventories	43,147	18,535
Accounts payable and accrued liabilities	(26,091)	8,587
Other	(5,265)	5,142
Elimination of working capital of previously consolidated subsidiaries	(2,908)	(9,668)
Proceeds on disposal of fixed assets	173	7,097
Additions to fixed assets	(11,221)	(26,966)
Funds provided (used) by operations	16,677	44,585
Financing and Investment Activities		
Recovery of advances to previously consolidated subsidiary	–	13,000
Dividends	(8,592)	(11,474)
Increase in investments	(230)	(2,523)
Reduction of long-term debt	(1,272)	(20,897)
Reduction of preference share capital	(1,043)	(1,359)
Issue of share capital	1,134	2,133
Funds provided (used) by financing and investment activities	(10,003)	(21,120)
Decrease in Net Bank Indebtedness	6,674	23,465
Net Bank Indebtedness – Beginning of Year	44,009	67,474
Net Bank Indebtedness – End of Year	37,335	44,009

See accompanying statement of accounting
policies and notes to financial statements.

For the year ended December 31, 1982

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its subsidiaries, except those subsidiaries accounted for by the equity method. Intercompany transactions and account balances have been eliminated on consolidation. Acquisitions are accounted for by the purchase method and accordingly the results of operations of subsidiaries are included from the dates of acquisition.

Investments in other companies over which the Corporation exercises significant influence and investments in subsidiaries held under agreements for disposal are accounted for by the equity method whereby the Corporation includes its proportionate share of earnings and losses of such companies in consolidated earnings.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Fixed Assets

Fixed assets are carried at cost. Interest expense relating to major capital expenditures is capitalized by a charge to fixed asset additions where significant interest costs will be incurred before the capital facility commences production.

Depreciation of fixed assets, which is based on management's estimate of the useful life, is calculated on a straight-line basis.

Profits and losses on the disposal of fixed assets are charged to operations unless of an extraordinary nature.

Deferred Income Taxes

Deferred income taxes are provided for all differences between the income and expenses reflected in the statements and the amounts included in the computation of income for tax purposes for the current year, provided that such differences will be included in the computation of income for tax purposes in future years. These timing differences are primarily comprised of:

- the excess of capital cost allowance for income tax purposes over depreciation expense
- accounts receivable holdbacks and profit on uncompleted contracts which are not yet subject to income taxes.

Investment tax credits are deferred and amortized over the useful life of the related fixed assets. The unamortized balance is included with deferred income taxes.

Intangibles

Intangibles comprise principally goodwill, being the excess of cost of investment in subsidiaries over the assigned value of net assets acquired. The amount arising prior to March 31, 1974 is not being amortized as management believes it has a continuing value. In accordance with generally accepted accounting principles, the amount relating to acquisitions after March 31, 1974 is being amortized on a straight-line basis over the lesser of its estimated useful life and forty years. Goodwill is written down by a charge to earnings as an extraordinary item when, in the opinion of management, there has been a permanent impairment in value.

Translation of Foreign Currencies

Accounts in foreign currencies have been translated into Canadian dollars using the "temporal" method. Under this method, current assets (except inventories), current liabilities and long-term debt are translated at the year-end exchange rate. The other assets and liabilities, including inventories and fixed assets, and the related charges to reflect cost of inventories sold and depreciation, are translated at the historical rate of exchange prevailing at the date of acquisition. All other revenue and expense accounts are translated at the average rate of exchange during the year, calculated on a monthly basis.

Exchange gains or losses on translation of long-term debt are amortized on a straight-line basis over the term of the debt. The amortization for the year and all other foreign exchange gains and losses are included in the determination of net earnings for the year.

Contract Revenues

Revenues from construction supply-and-install contracts are recognized on the percentage of completion basis.

For the year ended December 31, 1982

1. Significant Changes in Operations

(a) On March 5, 1982 the Corporation acquired substantially all of the operating assets of the Agricultural Division of Century Engineering

Corporation which manufactures and distributes liquid fertilizer sprayers and related agricultural equipment in the mid-western United States. Net assets acquired at fair values:

Thousands of dollars

Inventories	2,034
Fixed assets	3,796
Cash consideration	5,830

(b) The Corporation entered into an agreement subsequent to December 31, 1982 under which it granted options to The Algoma Steel Corporation, Limited to purchase in five years either 50% or 100% of the shares of its wholly-owned subsidiary, Sonco Steel Tube Limited and the other steel tube subsidiaries at prices to be determined by formula at the date of exercise of the options. During the five-year period a steel supply agreement with Algoma will be in effect. The Corporation commenced accounting for these subsidiaries by the equity method effective December 31, 1982. The recoverable investment in the non-consolidated subsidiaries represents

the amount which the Corporation will receive in cash on or before April 15, 1983.

(c) Effective July 3, 1981 Atlantic Sugar Limited, then a subsidiary of the Corporation, acquired the operating assets of Cartier Sugar Limited in consideration for common and preference shares of Atlantic Sugar Limited valued at \$5,000,000. As a result of this transaction, and the concurrent issue of additional common shares to a term lender, the Corporation's investment in common shares of Atlantic Sugar Limited decreased to 47.5% and accordingly such investment is accounted for by the equity method since that date. These transactions resulted in no gain or loss to the Corporation.

2. Inventories

Thousands of dollars

	1982	1981
Raw materials and supplies	17,692	39,125
Work-in-process	2,611	5,470
Finished goods	27,521	46,376
	47,824	90,971

3. Fixed Assets

Thousands of dollars	1982		Depreciation rates %	1981	
	Cost	Net		Cost	Net
Land	13,989	13,447	—	16,733	16,268
Buildings	32,939	21,200	2½ — 5	43,009	30,780
Plant equipment	66,608	30,653	5 — 20	93,360	54,658
Mobile equipment	6,333	1,872	20 — 33	6,388	2,570
Furniture and fixtures	3,579	1,088	10 — 20	4,238	1,781
Leasehold improvements	1,052	433	5 — 10	1,029	479
Construction in progress	513	513	—	9,749	9,749
	125,013	69,206		174,506	116,285

Insured value on the basis of replacement cost as at December 31, 1982 was \$220,000,000.

4. Investments

Investments in companies accounted for by the equity method comprise:

Thousands of dollars	1982	1981
Non-consolidated subsidiaries	49,179	—
Other companies	13,034	11,528
	62,213	11,528
Less: Investment in non-consolidated subsidiaries recoverable within one year	30,000	—
	32,213	11,528

5. Other Assets

Other assets include a long-term receivable from an officer of \$155,000 (1981 – \$209,000).

6. Bank Indebtedness

Bank loans aggregating \$11,139,000 are secured by inventories and a general assignment of book debts.

7. Long-Term Debt

Thousands of dollars	1982	1981
Jannock Limited		
Term bank loan – prime rate maturing January 31, 1984	7,000	7,000
Sinking fund debentures 6¾% Series 'A' maturing 1985	745	817
Sinking fund bonds 6¾% Series 'A' maturing 1984	700	1,057
Canada Brick Company Limited		
Term loan – variable commercial rates plus 1¼% maturing 1988	12,300	12,300
Term loan – variable commercial rates plus ½% to 1¼% maturing 1988. The principal amount is \$17,200,000 U.S. These two loans are secured by a first mortgage on the fixed assets of Canada Brick Company Limited and other collateral.	21,328	20,365
U.S. Brick, Inc.		
Notes payable – 10%	—	812
Other – the principal amount is \$22,500 U.S.	29	56
St. Lawrence Brick Co. Limited		
First mortgage sinking fund bonds 9¾% Series 'A' maturing 1990	835	917
Secured by fixed assets		
Sonco Steel Tube Limited		
First mortgage 7¾% maturing 1987	—	203
Secured by land and buildings		
	42,937	43,527
Less: Sinking fund and principal payments due within one year	4,503	4,648
	38,434	38,879

Payments of principal and interest (calculated, where applicable, at exchange and interest rates existing at December 31, 1982) required during the next five years to meet long-term debt instalments and sinking fund provisions are:

Thousands of dollars	Principal	Interest
1983	4,503	5,074
1984	11,601	3,741
1985	4,674	3,144
1986	4,121	2,600
1987	4,132	2,100

8. Share Capital

(a) Authorized

3,000,000 First Preference shares with a par value of \$20 each, issuable in series. The first series, consisting of 1,500,000 shares, are designated as Cumulative Redeemable First Preference shares, Series One and are non-voting unless six quarterly dividends are in arrears. The dividend rate for these shares is a rate equal to one-half the Canadian prime bank rate plus 1¼%. The Corporation must redeem 250,000 of these shares in each of the years 1985 to 1987 inclusive and the balance in 1988. The provisions attaching to these shares provide for early retirement in certain events and contain restrictions on the issuance of additional debt.

1,586,410 8% Cumulative Redeemable Second Preference shares with a par value of \$15 each. These shares may be purchased for cancellation from a \$300,000 annual purchase fund and carry no voting rights until six quarterly dividends are in arrears.

630,908 6% Cumulative Non-voting Third Preference shares with a par value of \$10 each. These shares may be redeemed at the option of the Corporation or the holder at par.

20,000,000 Common shares, without par value.

(b) Changes during the year

There were 39,800 Second Preference shares redeemed for \$347,000 cash.

There were 69,673 Third Preference shares issued to common shareholders as dividends under the Optional Dividend Plan at a stated value of \$696,730. There were 69,576 Third Preference shares redeemed for \$695,760 cash.

There were 26,700 Common shares issued for a cash consideration of \$130,200 as the result of the exercise of warrants and options. In addition, 39,612 Common shares were issued to common

shareholders as dividends under the Optional Dividend Plan for a stated value of \$307,196.

(c) Reservations of capital stock —

(i) Warrants

There are 571,118 share purchase warrants outstanding with an expiry date of July 31, 1987. Each warrant entitles the holder to purchase two Common shares of the Corporation at an aggregate price of \$15.00. The unit of trading on The Toronto Stock Exchange and the Montreal Stock Exchange represents the right to purchase one Common share. One warrant therefore represents two trading units.

(ii) Options

181,500 Common shares have been reserved under a stock option plan for officers and employees.

250,000 Common shares are reserved under a share purchase plan for officers and employees. The purchase price is market value at the date of issue of shares under the plan.

(iii) Optional Dividend Plan

97,451 Common shares have been reserved for issuance under the Corporation's Optional Dividend Plan whereby common shareholders can receive Common shares as dividends in lieu of cash at the average quoted market value of the shares for the ten trading days following the dividend record date. A total of 200,000 Common shares were reserved for issuance, which amount was reduced by shares issued under the Plan. Additional Common shares can be reserved by board resolution if there is a need to increase the number of shares reserved for the Plan.

(d) Earnings per share

Earnings per share were calculated on the following basis:

	1982	1981
Weighted average number of Common shares outstanding during the year	9,946,000	9,838,000
Earnings (loss) for the year before extraordinary items	(\$3,882,000)	\$13,098,000
Earnings (loss) before extraordinary items applicable to Common shares	(\$8,503,000)	\$ 7,925,000
Earnings (loss) per share — before extraordinary items	(\$0.85)	\$0.81
Earnings (loss) per share — after extraordinary items	(\$1.10)	\$0.92
Fully diluted earnings per share — before extraordinary items	N/A	\$0.78
Fully diluted earnings per share — after extraordinary items	N/A	\$0.88

9. Extraordinary Items

Thousands of dollars	1982	1981
Loss on closure of brick plants	(2,016)	(400)
Loss on investment	(392)	—
Gain on sale of rental property (income taxes of \$672,000 offset by utilization of prior years' capital losses)	—	2,602
Write-down of goodwill	—	(973)
Equity in extraordinary earnings (loss) of investment	—	(121)
	(2,408)	1,108

10. Income Taxes

Certain U.S. subsidiaries of the Corporation have business losses in the current year against which potential tax recoveries have not been recognized in the financial statements. These accounting losses, which amount to approxi-

mately \$5,000,000 Canadian and expire for tax purposes in 1997, are available to reduce taxable income in future years and will be realized when those subsidiaries have sufficient accounting income.

11. Commitments

Operating lease commitments are as follows:

Thousands of dollars	
1983	1,714
1984	1,425
1985	999
1986	830
1987	729
1988 – 92	472

Capital expenditures committed at December 31, 1982 amounted to \$602,000. In addition, the

board of directors has approved a further \$357,000 of capital expenditures.

12. Pension Plans

The Corporation and its subsidiaries have a number of pension plans for employees. There

are no unfunded liabilities in respect of these pension plans.

13. Remuneration of Directors and Officers

The aggregate direct remuneration paid to the directors and officers during the year totalled \$696,550 (1981 – \$733,000).

14. Segmented Data

The Corporation operates principally in Canada in two industries – the manufacturing and distribution of a wide variety of steel products and the manufacturing of bricks. Steel products include tubing and a wide range of fabricated metal products used in industrial, commercial and highway construction and the agricultural industry.

Industry Segments

Thousands of dollars	1982	1981
Sales to customers outside the enterprise		
Steel	273,042	310,022
Brick	53,541	62,445
Sugar	—	83,267
Other	14,482	18,835
	341,065	474,569

Earnings (loss) from operations

Steel	(834)	28,167
Brick	4,973	10,125
Sugar	—	(1,444)
Other	432	1,905
	4,571	38,753
Corporate expenses	(2,721)	(2,661)
	1,850	36,092

Identifiable assets

Steel*	157,933	208,677
Brick	58,242	69,808
Other	6,266	9,020
	222,441	287,505
Corporate	14,985	13,993
	237,426	301,498

Capital expenditures

Steel	10,513	22,587
Brick	672	2,539
Sugar	—	1,548
Other	32	244
	11,217	26,918
Corporate	4	48
	11,221	26,966

Bricks are sold in Canada and the United States for use in commercial and residential construction. To July 3, 1981 the Corporation was also engaged in the refining and marketing of sugar in Canada through Atlantic Sugar Limited, which is now 47.5% owned and accounted for by the equity method.

Industry Segments (continued)

Thousands of dollars	1982	1981
Depreciation		
Steel	5,480	3,561
Brick	4,531	4,618
Sugar	—	640
Other	109	106
	10,120	8,925
Corporate	30	30
	10,150	8,955

Geographic Segments

Thousands of dollars	1982	1981
Sales from operations within		
Canada	298,478	444,595
United States	42,587	29,974
	341,065	474,569

Earnings (loss) from operations

Canada	7,562	40,028
United States	(2,991)	(1,275)
	4,571	38,753
Corporate expenses	(2,721)	(2,661)
	1,850	36,092

Identifiable assets

Canada*	170,873	243,447
United States	51,568	44,058
	222,441	287,505
Corporate	14,985	13,993
	237,426	301,498

*Includes net investment in non-consolidated steel tube subsidiaries in 1982 (see note 1).

15. Statement of Changes in Financial Position

The statement of changes in financial position which previously reflected the sources and uses of working capital was changed in 1982 to reflect the sources and uses of net bank indebtedness. Net bank indebtedness is short-term bank indebtedness less cash and short term invest-

ments. In addition to the changes which were disclosed in previous years, the new presentation identifies the cash resources required or made available by the individual components of working capital. The 1981 comparative numbers have been restated to conform to the 1982 presentation.

Five Year Financial Review

	1982	1981	1980	1979	1978
Operating Results					
Millions of dollars					
Sales	341.1	474.6	520.8	454.6	323.3
Earnings from operations	1.9	36.1	53.5	57.4	40.9
Earnings (loss) before extraordinary items	(3.9)	13.1	22.4	24.1	18.2
Net earnings (loss)	(6.3)	14.2	22.0	24.1	18.2
Funds provided from (used in) operations	(0.6)	24.6	37.0	34.3	25.0
Interest expense					
Long-term	6.8	8.5	5.3	3.6	3.3
Short-term	9.8	9.0	10.4	6.4	3.1
Dividends paid on Common shares	4.0	6.3	6.2	5.6	5.4
Dividends paid on Preference shares	4.6	5.2	4.4	4.2	2.6
Capital expenditures	11.2	27.0	32.7	15.1	9.0
Depreciation	10.2	9.0	8.5	7.2	5.2
Financial Position					
Millions of dollars					
Intangibles	4.6	11.6	12.6	12.7	12.3
Working capital	57.4	52.0	78.0	73.0	66.3
Fixed assets — net	69.2	116.3	118.2	89.8	75.9
Total assets	237.4	301.5	337.9	304.1	250.4
Long-term debt	38.4	38.9	59.9	30.3	29.6
Common shareholders' equity	70.0	84.2	80.2	67.5	52.1
Preference shareholders' equity	52.6	53.2	53.7	54.0	54.5
Financial Ratios					
Working capital	1.8:1	1.5:1	1.6:1	1.6:1	1.7:1
Return on common shareholders' equity (%)	(14.2)	11.0	23.7	33.3	33.2
Return on capital employed (%)	(0.1)	10.6	15.9	18.5	18.7
Long-term debt to shareholders' equity	24:76	22:78	31:69	22:78	22:78
Share Data					
Dollars per share					
Basic earnings (loss) before extraordinary items	(0.85)	0.81	1.87	2.10	1.67
Basic earnings (loss) after extraordinary items	(1.10)	0.92	1.82	2.10	1.67
Fully diluted earnings	N/A	0.88	1.66	1.87	1.47
Dividends paid	.48	.64	.64	.59	.54
Equity	7.03	8.52	8.24	7.07	5.56
Shares outstanding					
Common (000's)	9,950	9,884	9,732	9,540	9,379
Second Preference (000's)	1,507	1,546	1,578	1,604	1,636
Number of common shareholders	4,875	4,648	5,297	5,616	5,152
Price range					
Common shares					
High	11.00	16.00	15.00	14.63	10.75
Low	4.30	8.75	9.38	9.25	5.88
Second Preference shares					
High	9.25	11.50	14.00	15.50	15.63
Low	7.00	7.75	10.25	13.00	13.75
1977 Warrants					
High	5.25	9.75	8.75	8.75	7.63
Low	1.15	3.60	4.50	4.75	1.60

Data for all years has been restated to reflect the two-for-one share subdivision effective September 12, 1979.

Certain figures have been reclassified for comparative purposes.

Jack C. Barrow**
Toronto, Ontario
Director
Simpsons-Sears Limited

Peter C. Bawden
Calgary, Alberta
Chairman of the Board
Peter Bawden
Drilling Ltd.

Roy F. Bennett
Toronto, Ontario
President
Bennecon Limited

J. Allan Boyle***
Toronto, Ontario
Director
The Toronto-Dominion
Bank

L. Yves Fortier
Montreal, Quebec
Partner
Ogilvy, Renault

William P. Frankenhoff
New York, New York
President
William P. Frankenhoff,
Inc.

William M. Hatch*
Toronto, Ontario
Chairman of the Board
Hatchwill Investments
Limited

J. Howard Hawke**
Toronto, Ontario
Chairman of the Board
Bache Securities Inc.

H. Gordon MacNeill*
Toronto, Ontario
President and Chief
Executive Officer
Jannock Limited

George E. Mara*
Toronto, Ontario
Chairman of the Board
Jannock Limited

William J. R. Paton
Thunder Bay, Ontario
Chairman of the Board
The Northern
Engineering & Supply
Co. Limited

Donald R. Sobey***
Stellarton, Nova Scotia
President
Empire Company
Limited

Donald G. Willmot*
Toronto, Ontario
Chairman of the Board
The Molson
Companies Limited

*Member of the Executive
Committee

**Member of the Audit
Committee

Corporate Management

H. Gordon MacNeill
President and Chief
Executive Officer

C. W. (Leo) Leonardi
Executive Vice
President, Finance

David C. Gore
Vice President,
Human Resources

R. Harold Weir
Vice President and
Secretary

Peter S. Hayward
Treasurer

Victor C. Hepburn
Controller

John C. Annett
Manager,
Corporate Development

Operating Management

R. Jay Atkinson
President
Sonco Steel Tube
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Tel: (416) 451-2400

E. Yngve Carlson
President
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Tel: (416) 821-4521

Roy A. Croll
President
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Company Limited
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John G. MacKay
President
Westeel-Rosco Limited
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Tel: (416) 537-4411

Douglas G. Sinclair
President
Jannock Tube Limited
837 Fourth Line,
Oakville, Ontario
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Head Office

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Toronto-Dominion
Centre
Toronto, Ontario
M5K 1B7
Tel: (416) 364-8586

Bankers

The Toronto-Dominion
Bank

Auditors

Coopers & Lybrand

Solicitors

Fraser & Beatty,
Toronto
McCarthy & McCarthy,
Toronto

Incorporation

Province of Ontario

Stock Listing

The Toronto
Stock Exchange
Montreal
Stock Exchange

**Transfer Agent
& Registrar**

Canada Permanent
Trust Company
Montreal, Toronto,
Winnipeg, Calgary and
Vancouver

